

Message Text

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PAGE 01 ROME 13674 231325Z

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

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TAGS: ELAB, PINT, IT

SUBJECT: UNIONS AGREE ON FALL BARGAINING STRATEGY

REF: A) ROME'S 13314; B) ROME'S 13105 (NOTAL)

SUMMARY: THE EXECUTIVE COMMITTEE OF THE FEDERATION CGIL-CISL-UIL (CCU) HAS CONCLUDED ITS DELIBERATIONS ON COLLECTIVE BARGAINING STRATEGY FOR THE COMING MONTHS. IN A DOCUMENT ADOPTED UNANIMOUSLY, THE CCU 1) OPTS CLEARLY FOR EMPHASIZING JOB SECURITY OVER WAGE/SALARY INCREASES, AS STRONGLY ADVOCATED BY CGIL CHIEF LAMA, 2) REJECTS PRIME MINISTER MORO'S CALL FOR HOLDING WAGE DEMANDS TO A 10 PERCENT CEILING, AND 3) CALLS FOR IMMEDIATE TALKS WITH THE GOVERNMENT FOR THE PURPOSE OF EXTRACTING SPECIFIC GOVERNMENTAL COMMITMENTS FOR MASSIVE INVESTMENTS IN ORDER TO MAINTAIN EMPLOYMENT LEVELS. IN ADDITION, THE CCU AGREED 1) TO CONDUCT QUOTE A GRAND NATIONAL LABOR MANIFESTATION UNQUOTE IN NAPLES IN MID-NOVEMBER IN SUPPORT OF JOBS AND INVEST-

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PAGE 02 ROME 13674 231325Z

MENTS IN THE SOUTH, 2) TO CONDUCT A GENERAL STRIKE, IN THE FIRST HALF OF OCTOBER, IN ALL SECTORS INVOLVED IN

STATE PARTICIPATION INDUSTRIES, AND 3) TO CONSIDER A NATIONAL MANIFESTATION IN FAVOR OF HOUSING AND THE RECOVERY OF THE CONSTRUCTION INDUSTRY. UNION-GOVERNMENT TALKS COMMENCE THIS WEEK. END SUMMARY.

1. THE PRIMARY DEBATE IN THE CCU COLLECTIVE BARGAINING CONFERENCE CONCERNED THE STRATEGY TO BE EMPLOYED VERSUS THE GOVERNMENT. HERE AGAIN, THE CGIL LINE, SUPPORTED BY THE SOCIALIST MINORITY IN UIL, PREVAILED; THE INSISTENCE ON EXTRACTING FROM THE GOVERNMENT COMMITMENTS FOR INVESTMENTS IN VERY SPECIFIC AMOUNTS, IN SPECIFIC SECTORS (I.E. THOSE SECTORS CURRENTLY THREATENING LARGE-SCALE LAYOFFS), UNDER A SPECIFIC TIMING SCHEDULE. MOST OF CISL, PLUS THE UIL MAJORITY, ARGUED IN FAVOR OF A LINE MORE IN KEEPING WITH UIL CHIEF VANNI'S KEYNOTE REPORT, I.E., A MORE FORTHCOMING APPROACH TOWARD THE GOVERNMENT. CISL SECGEN STORTI ARGUED AGAINST SHOVING TOO HARD AGAINST THE CURRENT GOVERNMENT WHICH HE DESCRIBED AS QUOTE FEEBLE UNQUOTE. QUOTE IF THIS GOVERNMENT FALLS, WE WILL LACK EVEN THIS INTERLOCUTOR. UNQUOTE. CISL SECGEN LAMA ADOPTED A MUCH TOUGHER TONE: QUOTE IF (THE GOVERNMENT) IS NOT STRONG ENOUGH TO GIVE A POLITICAL REPLY TO THE UNIONS, WE NEED ANOTHER GOVERNMENT. UNQUOTE.

2. THE PROPOSAL OF PRIME MINISTER MORO, CONTAINED IN A LETTER DISPATCHED TO BOTH THE UNIONS AND THE EMPLOYERS, DID NOT REACH THE CCU CONFEREES UNTIL LATE ON THE LAST DAY OF DELIBERATIONS. IT IS BASICALLY AN EXTENSION OF HIS REMARKS MADE SEPTEMBER AT BARI (ROME'S 13314). MORO POINTS OUT THAT 1) CONSUMER PRICES THIS YEAR WILL RISE BY 16-18 PERCENT, 2) WAGE LEVELS WILL RISE BY 22 PERCENT (AND TOTAL LABOR COST INCREASES MAY APPROACH 30 PERCENT), AND 3) THE GNP WILL DIMINISH BY 3-4 PERCENT. WHEN ADDED TO GROWING UNEMPLOYMENT, THESE FACTORS DELINEATE THE DIMENSIONS OF ITALY'S ECONOMIC DIFFICULTIES. MORO PROPOSES TO ATTACH THE PROBLEM ALONG TWO MAJOR FRONTS: 1) A SOLEMN GOVERNMENTAL COMMITMENT TO COMBAT AND ELIMINATE, LIMITED OFFICIAL USE
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PAGE 03 ROME 13674 231325Z

THROUGH BUREAUCRATIC REFORM, THE MASSIVE QUOTE FISCAL EVASION UNQUOTE WHICH IS QUOTE A MAJOR CAUSE OF THE STATE'S BUDGET IMBALANCE, UNQUOTE AND 2) AN APPEAL TO THE LABOR MARKET FORCES TO HOLD WAGE DEMANDS TO A CEILING OF 10 PERCENT, AS RECENTLY AGREED IN THE UK, AND TO COOPERATE IN A POLICY QUOTE TO COMBAT, AND GRADUALLY ELIMINATE, WHAT HAS COME TO BE CALLED THE JUNGLE OF SALARIES. UNQUOTE. THIS LAST REFERS TO THE HOPELESSLY COMPLEX SYSTEM OF RENUMERATION IN THE PUBLIC AND PARASTATAL SERVICES, LEADING TO SOME SIGNIFICANT

DISTORTIONS IN SALARY RELATIONSHIPS (AND TO THE WIDE-SPERAD AND STILL SERIOUS AGITATION AND WORK STOPPAGES IN THIS SECTOR).

3. COMMENT: MUCH OF WHAT TRANSPIRED DURING THE CCU SESSION CAN BE ASCRIBED TO BOTH INTERNAL JOCKEYING AND TO CREATING A PUBLIC RECORD IN RESPONSE TO EXTERNAL FACTORS. THUS, THE TOUGH CGIL TALK ABOUT POSSIBLY CHANGING GOVERNMENTS IS NOT SERIOUSLY MEANT, SINCE THE FALL OF THE MORO GOVERNMENT COULD WELL LEAD TO EARLY NATIONAL ELECTIONS, AND EVENTUALITY DESIRED BY NONE OF THE PRINCIPAL POLICIAL PARTIES. THE REJECTION OF MORO'S 10 PERCENT WAGE CEILING IS PROBABLY DESIGNED BOTH TO MOLLIFY THE CONSTITUENT UNIONS WHO HAVE BEEN UNHAPPY WITH THE EMPHASIS OF JOBS OVER WAGES, AND TO OUTFLANK THE VARIOUS AUTONOMOUS UNIONS WHICH HAVE RECENTLY CAPITALIZED WITH SUCCESS ON RANK-AND-FILE DESIRES FOR MAJOR WAGE INCREASES. EVEN MORE IMPORTANTLY, HOWEVER, THE POSITIONS ADOPTED BY THE CCU ARE DESIGNED TO EXERT MAXIMUM PRESSURE ON THE GOVERNMENT TO MAKE THE KIND OF INVESTMENT COMMITMENTS THE UNIONS REGARD AS NECESSARY TO THE PRESERVATION AND AUGMENTATION OF JOBS. THE GOVERNMENT AND UNIONS WILL BEGIN THEIR TALKS THIS WEEK, DATE NOT YET FIXED. IF THE GOVERNMENT CAN BE PERSUADED TO UNDERTAKE AN INVESTMENT POLICY WHICH THE UNIONS CAN REPRESENT AS A VICTORY FOR THEIR DEMANDS, THERE IS GOOD REASON TO BELIEVE THAT THE LADERS OF THE LABOR MOVEMENT, AT THE CCU LEVEL AT LEAST, WILL NOT PROVE TO BE EXCESSIVE ON WAGE AND SALARY DEMANDS. AN ACROSS-THE-BOARD LIMITED OFFICIAL USE LIMITED OFFICIAL USE

PAGE 04 ROME 13674 231325Z

MONTHLY INCREASE OF, SAY, 25-30,000 LIRE WOULD BE WITHIN MORO'S GUIDELINES WHILE OBSCURING THE ACTUAL PERCENTUAL INCREASE IT REPRESENTS. VOLPE

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